



## **PERA Responses to Requests for Information from the June 6, 2011 IPOC Meeting**

---

**Question:** What would PERA's funded status had been if PERA assumed a 7% rate of return?

**Response:** PERA's actuaries stated that for the June 30, 2010 valuation, assuming a 7% rate of return, PERA's funded status would have decreased from 78% to approximately 70%.

**Question:** What was PERA's investment performance for the past 6 years?

**Response:** PERA's past 6 calendar-year returns were:

2010	13.90%
2009	21.56%
2008	-31.96%
2007	7.25%
2006	14.96%
2005	8.46%

**Question:** What was the breakdown of how the investment losses from 2007-2009 were to be smoothed into the actuarial value of assets?

**Response:**

For the 6/30/2008 valuation, \$509 million in losses were offset by \$409 million in gains. Net result was a loss of \$100 million.

For the 6/30/2009 valuation, \$1.52 billion in losses were offset by \$372 million in gains. The net result was a loss of \$1.15 billion

For the 6/30/2010 valuation, \$1.52 billion in losses were offset by \$375 million in gains. The net result was a loss of \$1.15 billion

For the 6/30/2011 valuation, \$1.52 billion in losses will be offset by approximately \$400 million in gains for a net loss of about \$1.1 billion.

For the 6/30/2012 valuation, we will have approximately \$1 billion in losses to smooth in which will finish off the losses incurred during 2007-2009. These losses will be offset by \$400 million in gains from the past two years plus the performance earned during FY12.

## **PERA Responses to Requests for Information from the June 6, 2011 IPOC Meeting**

---

**Question:** What is the average age of PERA retirees, the years of service credit at the time of retirement and the benefit paid?

**Response:** See below. Years of service credit earned at the time of retirement is not available from the latest valuation statistics.

<b>PERA Retirement Plan</b>	<b>Average Age At Retirement</b>	<b>Average Monthly Pension</b>
State General	57.91	\$2,335
State Police / Corrections	48.67	\$2,150
Judicial	58.69	\$6,571
Magistrate	61.94	\$3,946
Municipal General	57.78	\$2,092
Municipal Police	46.06	\$2,728
Municipal Fire	48.12	\$3,370
Legislative	60.93	\$ 763

Source: Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2010.

**Question:** What lawsuits have arisen from legislation passed? How can the legislature in the future settle the issues that have arisen?

**Response:**

**David Archunde v. PERA & City of Albuquerque** (filed Sept. 2008 – federal court)  
Mr. Archunde was part of the original class of double dippers who were required to make nonrefundable member contribution during the period July 1, 2003 through Dec. 31, 2006. Archunde's only claim was that nonrefundable contributions violated the takings clause of the U.S. Constitution. Federal D.Ct. Judge Bruce Black rejected the claim. Case dismissed. Archunde did not appeal.

**Jack Clough v. PERA** (filed Jan 2011 – federal court)

Mr. Clough was a "grandfathered" double dipper who was required to begin making nonrefundable contributions on July 1, 2010. He argued that the contributions violated numerous law and constitutional provisions involving age discrimination, takings, equal protection, contract, due process and bill of attainder. Federal Magistrate Lorenzo Garcia rejected all claims either on their merits or for failing to exhaust administrative remedies. Case dismissed. Clough did not appeal.

## **PERA Responses to Requests for Information from the June 6, 2011 IPOC Meeting**

---

**Rod Coffman et. al vs. PERA & Gov. Richardson** (filed November 2010 – federal court)

Like Clough, the Coffman plaintiffs are “grandfathered” double dippers who were required to begin making nonrefundable contributions on July 1, 2010. Plaintiffs raise constitutional claims under the contract, equal protection and takings clauses of the U.S. and N.M. Constitutions. The difference between the Clough and Coffman cases is that the Coffman plaintiffs are all law enforcement officers, and they are asking for class action certification. PERA filed a motion to dismiss in June 2011. The federal judge has not yet issued a ruling.